

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 97-0014

**Individual Income Tax
Calendar Years 1993, 1994, and 1995**

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ISSUE(S)

I. Tax Administration— Notice

Authority: IC 6-8.1-5-1(a); 45 IAC 15-5-1

Taxpayer protests the assessments that were based upon best information available.

STATEMENT OF FACTS

Taxpayers, located in Indiana, provide backhoe and trenching services to the general public and commercial establishments. Taxpayers also haul rocks, install water lines, and do odd jobs. The taxpayers were scheduled to bring records to the District Office to be examined. Since no records were supplied, after numerous attempts, the audit was based upon the best information available and completed on August 16, 1996. The income generated from the sales tax audit was utilized as the starting point for income tax purposes from which were deducted the cost of goods sold and expenses to arrive at net income. Taxpayer filed no returns for 1994 and 1995.

Taxpayers protest and state there has been great confusion with their accountant and found that items they thought were being handled still needed attention. No further information has been presented to allow the department to adjust the audit.

Taxpayers failed to be present for a hearing that was scheduled for November 3, 1999. Taxpayer has not provided additional evidence that the proposed assessment is in error.

I. **Tax Administration** – Notice

DISCUSSION

At issue is whether the taxpayer's best information audit should be adjusted.

Taxpayer, in numerous attempts to rectify the best information audit, has failed to supply information to warrant an adjustment to the liabilities.

Since no further information has been received, the department cannot adjust the audit.

FINDING

Taxpayer's protest is denied.